



General Assembly

February Session, 2008

Raised Bill No. 391

LCO No. 2085

* ____SB00391INS__041708__ *

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING THE INSURANCE REINVESTMENT ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 38a-88a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2008*):

4 (a) As used in this section:

5 (1) "Facility" means an insurance business facility;

6 (2) "Insurance business" means a business with a North American
7 Industry Classification System code of 524113 to 524298, inclusive, that
8 is engaged in the business of insuring risks or of providing services
9 necessary to the business of insuring risks;

10 (3) "New job" means a job that did not exist in the business of a
11 subject insurance business in this state prior to the subject insurance
12 business's application to the commissioner for an eligibility certificate
13 under this section for a new facility and that is filled by a new
14 employee, but does not include a job created when an employee is
15 shifted from an existing location of the subject insurance business in

16 this state to a new facility;

17 (4) "New employee" means a person hired by a subject insurance
18 business to fill a position for a new job or a person shifted from an
19 existing location of the subject insurance business outside this state to a
20 new facility in this state, provided (A) in no case shall the total number
21 of new employees allowed for purposes of this credit exceed the total
22 increase in the taxpayer's employment in this state, which increase
23 shall be the difference between (i) the number of employees employed
24 by the subject insurance business in this state at the time of application
25 for an eligibility certificate to the commissioner plus the number of
26 new employees who would be eligible for inclusion under the credit
27 allowed under this section without regard to this calculation and (ii)
28 the highest number of employees employed by the subject insurance
29 business in this state in the year preceding the subject insurance
30 business's application for an eligibility certificate to the commissioner
31 and (B) a person shall be deemed to be a "new employee" only if such
32 person's duties in connection with the operation of the facility are on a
33 regular, full-time, or equivalent thereof, and permanent basis;

34 (5) "New facility" means a facility which (A) is acquired by, leased
35 to, or constructed by, a subject insurance business on or after the date
36 of the subject insurance business's application to the commissioner for
37 an eligibility certificate under this section, unless, upon application of
38 the subject insurance business and upon good and sufficient cause
39 shown, the commissioner waives the requirement that such activity
40 take place after the application and (B) was not in service or use during
41 the one-year period immediately prior to the date of the subject
42 insurance business's application to said commissioner for an eligibility
43 certificate under this section, unless upon application of the subject
44 insurance business and upon good and sufficient cause shown, the
45 commissioner consents to waiving the one-year period;

46 (6) "Related person" means (A) a corporation, limited liability
47 company, partnership, association or trust controlled by the taxpayer
48 or subject insurance business, as the case may be, (B) an individual,

49 corporation, limited liability company, partnership, association or trust
 50 that is in control of the taxpayer or subject insurance business, as the
 51 case may be, (C) a corporation, limited liability company, partnership,
 52 association or trust controlled by an individual, corporation, limited
 53 liability company, partnership, association or trust that is in control of
 54 the taxpayer or subject insurance business, as the case may be, or (D) a
 55 member of the same controlled group as the taxpayer or subject
 56 insurance business, as the case may be. For purposes of this section,
 57 "control", with respect to a corporation, means ownership, directly or
 58 indirectly, of stock possessing fifty per cent or more of the total
 59 combined voting power of all classes of the stock of such corporation
 60 entitled to vote. "Control", with respect to a trust, means ownership,
 61 directly or indirectly, of fifty per cent or more of the beneficial interest
 62 in the principal or income of such trust. The ownership of stock in a
 63 corporation, of a capital or profits interest in a partnership or
 64 association or of a beneficial interest in a trust shall be determined in
 65 accordance with the rules for constructive ownership of stock
 66 provided in Section 267(c) of the Internal Revenue Code of 1986, or any
 67 subsequent corresponding internal revenue code of the United States,
 68 as from time to time amended, other than paragraph (3) of such
 69 section;

70 (7) "Moneys of the taxpayer" means all amounts invested in a fund,
 71 directly or indirectly, on behalf of a taxpayer, including but not limited
 72 to (A) direct investments made by the taxpayer and (B) loans made to
 73 the fund for the benefit of the taxpayer which loans are guaranteed by
 74 the taxpayer, provided no amounts represented by any such loan shall
 75 be used for the purpose of obtaining any tax credit by any person
 76 making such loan against any tax levied by this state;

77 (8) "Income year" means (A) with respect to corporations subject to
 78 taxation under chapter 208, the income year as determined under said
 79 chapter, (B) with respect to insurance companies, hospital and medical
 80 services corporations subject to taxation under chapter 207, the income
 81 year as determined under said chapter, and (C) with respect to
 82 taxpayers subject to taxation under chapter 229, the taxable year

83 determined under said chapter;

84 (9) "Taxpayer" means any person as defined in section 12-1, whether
85 or not subject to any taxes levied by this state; and

86 (10) "Commissioner" means the Commissioner of Economic and
87 Community Development.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2008	38a-88a(a)

CE *Joint Favorable*

INS *Joint Favorable*